

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

In re:

Chapter 11 Case No.

Lehman Brothers Holdings Inc., et al.,

08-13555

Debtors.

SEPTEMBER 2016 POST-EFFECTIVE OPERATING REPORT

SEPTEMBER 1, 2016 – OCTOBER 6, 2016

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

SCHEDULE OF PROFESSIONAL FEE AND EXPENSE DISBURSEMENTS

RESPONSES TO QUESTIONS SUBMITTED

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Date: October 27, 2016

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SCHEDULE OF DEBTORS

The twenty three entities listed below (the “Debtors”) filed for bankruptcy in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) on the dates indicated below. On December 6, 2011, the Bankruptcy Court confirmed the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors (the “Plan”). On March 6, 2012, the “Effective Date” (as defined in the Plan) occurred. As of the date hereof, the following Debtors’ chapter 11 cases remain open:

	Case No.	Date Filed (“Commencement Date”)
Lehman Brothers Holdings Inc. (“LBHI”)	08-13555	9/15/2008
Lehman Brothers Commodity Services Inc. (“LBCS”)	08-13885	10/3/2008
Lehman Brothers Special Financing Inc. (“LBSF”)	08-13888	10/3/2008
Lehman Brothers OTC Derivatives Inc. (“LOT”).....	08-13893	10/3/2008
Lehman Brothers Derivative Products Inc. (“LBDP”)	08-13899	10/5/2008
Lehman Commercial Paper Inc. (“LCPI”).....	08-13900	10/5/2008
Lehman Brothers Commercial Corporation (“LBCC”)	08-13901	10/5/2008
Lehman Brothers Financial Products Inc. (“LBFP”)	08-13902	10/5/2008
Lehman Scottish Finance L.P.	08-13904	10/5/2008
East Dover Limited.....	08-13908	10/5/2008
Luxembourg Residential Properties Loan Finance S.a.r.l.....	09-10108	1/7/2009
BNC Mortgage LLC	09-10137	1/9/2009
LB Rose Ranch LLC	09-10560	2/9/2009
Structured Asset Securities Corporation.....	09-10558	2/9/2009
Merit LLC	09-17331	12/14/2009

The following Debtors’ chapter 11 cases were closed on January 28, 2016, pursuant to a final decree entered by the Bankruptcy Court (Docket No. 51920):

	Case No.	Date Filed	Date Closed
LB 745 LLC.....	08-13600	9/16/2008	1/28/2016
PAMI Statler Arms LLC.....	08-13664	9/23/2008	1/28/2016
CES Aviation LLC	08-13905	10/5/2008	1/28/2016
CES Aviation V LLC.....	08-13906	10/5/2008	1/28/2016
CES Aviation IX LLC	08-13907	10/5/2008	1/28/2016
LB 2080 Kalakaua Owners LLC	09-12516	4/23/2009	1/28/2016
LB Somerset LLC	09-17503	12/22/2009	1/28/2016
LB Preferred Somerset LLC	09-17505	12/22/2009	1/28/2016

The Company has established an email address to receive questions from readers regarding its financial disclosures. The Company plans to review questions received, and for those subjects which the Company determines a response would not (i) violate a confidentiality provision, (ii) place the Company in a competitive or negotiation disadvantage, or (iii) be unduly burdensome relative to the value of information requested, the Company shall endeavor to post a response (maintaining the anonymity of the originators of the questions). The Company assumes no obligation to respond to email inquiries.

Please email questions, with document references as relevant, to:

QUESTIONS@lehmanholdings.com

The Company’s previously posted responses can be found on the Epiq website maintained for the Company:

www.lehman-docket.com under the Key Documents tab and the Responses to Questions Submitted category

LEHMAN BROTHERS HOLDINGS INC. AND OTHER DEBTORS AND DEBTOR-CONTROLLED ENTITIES

**BASIS OF PRESENTATION
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
SEPTEMBER 1, 2016 – OCTOBER 6, 2016**

The information and data included in this September 2016 Post-Effective Operating Report (the “Operating Report”) are derived from sources available to Lehman Brothers Holdings Inc. (“LBHI”), as Plan Administrator, and its Controlled Entities (collectively, the “Company”). The term “Controlled Entities” refers to those entities that are directly or indirectly controlled by LBHI, and excludes, among others, those entities that are under separate administrations in the United States or abroad. LBHI and certain of its Controlled Entities filed for protection under Chapter 11 of the Bankruptcy Code, and those entities are referred to herein as the “Debtors”. The Debtors’ Chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure. LBHI has prepared this Operating Report, which includes certain information as required by the Office of the US Trustee, based on the information available to LBHI at this time, but notes that such information may be incomplete and may be materially deficient in certain respects. This Operating Report is not meant to be relied upon as a complete description of the Debtors, their business, condition (financial or otherwise), results of operations, prospects, assets or liabilities. LBHI reserves all rights to revise this report.

Other items:

1. This Operating Report is not prepared in accordance with U.S. generally accepted accounting principles (GAAP), is not audited and will not be subject to audit or review by the Company’s external auditors at any time in the future. Cash balances and activity denominated in foreign currencies have been converted to US Dollars.
2. Beginning and ending balances include demand deposits, interest-bearing deposits with banks, U.S. and foreign money-market funds, U.S. government obligations, U.S. government guaranteed securities, investment grade corporate bonds and commercial paper, and AAA-rated asset-backed securities secured by auto loans and credit card receivables.
3. Beginning and ending cash balances are based on preliminary closing numbers and are subject to adjustment.
4. Beginning and ending cash and investment balances exclude the following:
 - Cash posted as collateral for hedging activity; and
 - Cash held at real estate owned properties or at third party real estate managers.

5. Restricted cash balances are based on preliminary estimates and are comprised of the following items as of October 6, 2016:

(\$ in millions)	Debtors					Debtor- Controlled Entities	Total Debtors and Debtor- Controlled Entities
	LBHI	LBSF	LCPI	Other	Total		
Reserves for Claims:							
Disputed unsecured claims ⁽¹⁾	\$ 1,089	\$ 854	\$ 0	\$ 146	\$ 2,089	\$ -	\$ 2,089
Distributions on Allowed Claims (not remitted) ⁽²⁾	86	0	0	1	87	-	87
Secured, Admin, Priority Claims and Other	64	16	2	8	90	-	90
Subtotal, Claims Reserves	1,239	870	2	154	2,266	-	2,266
Citigroup ⁽³⁾	2,008	-	-	-	2,008	-	2,008
Other ⁽⁴⁾	177	1	0	25	202	29	231
Total	\$ 3,424	\$ 871	\$ 2	\$ 179	\$ 4,476	\$ 29	\$ 4,505

Totals may not foot due to rounding.

- (1) Represents the cash reserve for the principal amount of disputed unsecured claims subsequent to the eleventh Plan Distribution on October 6, 2016.
- (2) Includes (i) \$79 million related to the Office of Foreign Asset Control, and (ii) \$8 million related to other open items.
- (3) Represents cash deposited prior to the Commencement Date by the Company in connection with certain requests and/or documents executed by the Company and Citigroup Inc. ("Citigroup"). The Company commenced litigation against Citigroup regarding these deposits.
- (4) Includes: (i) various pre-petition balances on administrative hold by Citigroup of \$87 million, (ii) misdirected wires and other cash received by LBHI for the benefit of third parties and Non-Controlled Affiliates of \$55 million, and (iii) other miscellaneous items of \$89 million.

Restricted cash balances herein do not include other cash balances retained for operating expenses, asset preservation and other commitments (e.g. anticipated investments).

LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities
Schedule of Cash Receipts and Disbursements
September 1, 2016 - October 6, 2016

Unaudited (\$ in millions, foreign currencies reflected in USD equivalents)

		LBHI	LBSF	Debtors LCPI	Other	Total	Debtor-Controlled Entities Total	Total Debtors and Debtor-Controlled Entities
Beginning Free Cash and Investments (09/01/16)		\$ 1,238	\$ 48	\$ 41	\$ 314	\$ 1,641	\$ 504	\$ 2,145
Sources of Cash								
Commercial Real Estate	(a)	1	-	2	-	2	31	33
Loans (Corporate and Residential)		10	-	48	-	57	0	58
Private Equity / Principal Investing	(b)	1	-	-	-	1	124	124
Derivatives		-	9	-	-	9	2	10
Receipts from Affiliates	(c)	561	39	0	18	619	0	619
Other	(d)	437	68	4	20	528	4	532
Total Sources of Cash		1,010	115	53	38	1,216	161	1,376
Uses of Cash								
Non-Operating								
Commercial Real Estate		(2)	-	(1)	-	(2)	(0)	(2)
Private Equity / Principal Investing		(0)	-	-	-	(0)	-	(0)
Other		(6)	-	-	-	(6)	(0)	(6)
Operating Expenses	(e)							
Compensation and Benefits	(f)	(4)	-	-	-	(4)	(1)	(5)
Professional Fees		(8)	-	-	(0)	(8)	(0)	(8)
Other		(1)	(0)	(0)	(0)	(1)	(1)	(2)
Total Uses of Cash		(21)	(0)	(1)	(0)	(22)	(1)	(23)
Total Cash From Operations		989	115	52	38	1,194	159	1,353
Pre-Petition Inter-Company Receipts		97	1	71	-	169	3	172
Post-Petition Inter-Company Receipts	(b)	65	10	160	5	240	15	255
Dividend Receipts		169	1	35	-	205	1	206
Total Inter-Company Transfers Receipts	(g)	331	13	265	5	614	20	634
Pre-Petition Inter-Company Disbursements		-	-	-	-	-	(172)	(172)
Post-Petition Inter-Company Disbursements	(b)	(15)	(8)	(26)	(55)	(103)	(152)	(255)
Dividend Disbursements		-	(0)	-	-	(0)	(206)	(206)
Total Inter-Company Transfers Disbursements	(g)	(15)	(8)	(26)	(55)	(103)	(531)	(634)
Plan Distributions	(h)	(2,923)	(258)	(328)	(171)	(3,680)	(0)	(3,680)
Receipts of Plan Distributions from Debtors	(i)	492	18	4	11	525	83	608
Payments to Creditors - Other	(j)	(6)	(0)	-	-	(6)	-	(6)
Total Payments to Creditors		(2,437)	(240)	(324)	(160)	(3,161)	83	(3,078)
Other		(1)	(0)	(0)	(0)	(1)	(0)	(1)
Reclass from/(to) Restricted Cash to Free Cash		5	89	(1)	132	224	5	229
Net changes in Free Cash and Investments		(1,128)	(32)	(33)	(40)	(1,233)	(264)	(1,497)
Ending Free Cash and Investments (10/06/16)		110	16	7	274	408	240	647
Beginning Restricted Cash (09/01/16)		3,429	959	1	311	4,700	34	4,734
Disputed unsecured claims		29	(89)	0	(132)	(192)	-	(192)
Distributions on Allowed Claims (not remitted)		(7)	(0)	(0)	(0)	(7)	-	(7)
Secured, Admin, Priority Claims and Other		2	1	1	(0)	4	-	4
Citigroup and HSBC	(j)	(27)	-	-	-	(27)	-	(27)
Other		(2)	-	-	0	(2)	(5)	(7)
Net Changes in Restricted Cash		(5)	(89)	1	(132)	(224)	(5)	(229)
Ending Restricted Cash (10/06/16)		3,424	871	2	179	4,476	29	4,505
Beginning Total Cash and Investments (09/01/16)		4,667	1,007	42	625	6,341	537	6,878
Net changes in Free Cash and Investments		(1,128)	(32)	(33)	(40)	(1,233)	(264)	(1,497)
Net changes in Restricted Cash		(5)	(89)	1	(132)	(224)	(5)	(229)
Ending Total Cash and Investments (10/06/16)	(k)	\$ 3,534	\$ 887	\$ 10	\$ 453	\$ 4,884	\$ 269	\$ 5,152

All values that are exactly zero are shown as "-". Values between zero and \$0.5 million appear as "0".
Totals may not foot due to rounding.

LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities
Schedule of Cash Receipts and Disbursements
September 1, 2016 - October 6, 2016

Unaudited (\$)

Notes:

- (a) Cash collections at Debtor-Controlled Entities include \$27 million at PAMI Holdings LLC.
- (b) Cash collections at Debtor-Controlled Entities primarily include receipts related to the sale of Formula One to Liberty Media Corporation (refer to the Quarterly Financial Report as of June 30, 2016 [Docket No. 53697] for additional information), which was subsequently transferred to LCPI as beneficial owner of the Formula One investment as reflected in Post-Petition Inter-Company transfers.
- (c) Receipts from Non-Controlled Affiliates include the following:

(\$ in millions)	LBHI	LBSF	LCPI	Other Debtors	Debtor-Controlled Entities	Total
Lehman Brothers Asia Holding Ltd	\$ 165	\$ -	\$ -	\$ -	\$ -	\$ 165
LB RE Financing No.3 Limited	-	26	-	-	-	26
LB RE Financing No.2 Limited ⁽ⁱ⁾	146	-	-	-	-	146
Lehman Brothers Commercial Corp. Asia Ltd	65	-	-	2	0	67
Lehman Brothers Treasury Co. B.V. ("LBT") ⁽ⁱⁱ⁾	43	13	-	1	-	56
Lehman Brothers (Luxembourg) S.A.	43	-	-	-	-	43
Lehman Brothers Bankhaus A.G. ("Bankhaus") ⁽ⁱⁱⁱ⁾	24	-	0	16	-	40
LB Investments PTE Ltd	32	-	-	-	-	32
Lehman Commercial Mortgage Conduit Ltd	21	-	-	-	-	21
Lehman Brothers ODC 1	7	-	-	-	-	7
LB UK RE Holdings Limited	7	-	-	-	-	7
Lehman Brothers (PTG) Limited	6	-	0	-	-	6
Sail Investor Pte Ltd	4	-	-	-	-	4
	\$ 561	\$ 39	\$ 0	\$ 18	\$ 0	\$ 619

(i) LBHI and LB RE Financing No. 3 Limited distributed \$98 million and \$49 million, respectively, to LB RE Financing No.2 Limited ("FIN2"). Distributions to FIN2 are remitted to LB RE Financing No. 1 Limited ("FIN1"); FIN1 subsequently pays these monies to LBHI to satisfy its obligations.

(ii) Pursuant to agreements with LBT, LBSF and LBCS, LBHI deducted and withheld approximately \$56 million from its eleventh Plan Distribution ("Withheld Distributions") due from LBHI to LBT to offset amounts due to LBHI, LBSF and LBCS from LBT. The Withheld Distributions were then distributed to LBSF, LBCS and LBHI for inclusion in their respective eleventh Plan Distributions.

(iii) Receipts at LBHI primarily relate to direct claims against Bankhaus that were assigned to LBHI as a result of the Bankhaus Creditors' Settlement (refer to the Quarterly Financial Report as of June 30, 2016 [Docket No. 53697] for additional information).

- (d) Other primarily includes (i) an income tax refund of \$335 million related to the 1997-2010 IRS audit periods to LBHI (\$246 million), LBSF (\$66 million), LCPI (\$3 million), Other Debtors (\$19 million) and Debtor-Controlled (\$1 million) (refer to the Quarterly Financial Report as of June 30, 2016 [Docket No. 53697] and Responses to Questions Submitted section herein for additional information), (ii) a loan from LBHI2 Financing Limited to LBHI collateralized by LBHI's claims against Lehman Brothers International (Europe) (in administration), and (iii) return of collateral and net variation margin of \$75 million received on the Company's foreign currency hedging program related to various movements in the Euro, British Pound and Swiss Franc versus the US Dollar.
- (e) A portion of the Operating Expenses paid by LBHI is subject to allocations to, and reimbursement from, various Debtors and Debtor-Controlled Entities.
- (f) Compensation and Benefits includes the Company's employee expenses as well as fees paid to Alvarez & Marsal (A&M).
- (g) Operating Expenses - Other includes payments related to outsourced services, IT, occupancy, taxes, insurance and other general administrative items.
- (g) Inter-Company Receipts and Disbursements include (i) a loan from LBCC to LBHI of \$20 million, secured by LBHI assets, (ii) loans from LBFP to LCPI and LBSF of \$25 million and \$10 million, respectively, secured by LCPI and LBSF assets, (iii) an investment of \$7 million of LBSF's cash reserves for disputed claims in a secured note issued by LBHI, (iv) partial repayments by LBHI to LOTC of \$5 million, related to outstanding loans, and (v) partial repayments on intercompany balances, dividend distributions, and other administrative activities.
- (h) Plan Distributions include distributions to holders of Allowed Claims and distributions related to Plan Adjustments from Participating Subsidiary Debtors (refer to Notice Regarding Eleventh Distribution [Docket No. 53706] for additional information). These amounts also include Withheld Distributions from LBHI to LBT of \$56 million, as described above in footnote (c).
- (i) Receipts of Plan Distributions from Debtors are distributions to Debtors and Debtor-Controlled Entities.
- (j) In September 2016, the Company and HSBC Bank PLC ("HSBC") finalized a settlement agreement to terminate litigations and resolve all of HSBC's claims (refer to the Quarterly Financial Report as of June 30, 2016 [Docket No. 53697] for additional information). As a result of the settlement agreement, \$27 million was released from restricted cash to free cash, including approximately \$3.5 million that was paid to HSBC.
- (k) Ending Total Cash and Investments for Debtor-Controlled Entities - Other includes \$9 million of cash balances at Debtor-Controlled Entities in Asia.

LEHMAN BROTHERS HOLDINGS INC. AND OTHER DEBTORS AND DEBTOR-CONTROLLED ENTITIES

**BASIS OF PRESENTATION
SCHEDULE OF PROFESSIONAL FEE AND EXPENSE DISBURSEMENTS
SEPTEMBER 1, 2016 – OCTOBER 6, 2016**

The information and data included in this September 2016 Post-Effective Operating Report (the “Operating Report”) are derived from sources available to Lehman Brothers Holdings Inc. (“LBHI”), as Plan Administrator and its Controlled Entities (collectively, the “Company”). The term “Controlled Entities” refers to those entities that are directly or indirectly controlled by LBHI, and excludes, among others, those entities that are under separate administrations in the United States or abroad. LBHI and certain of its Controlled Entities had filed for protection under Chapter 11 of the Bankruptcy Code, and those entities are referred to herein as the “Debtors”. The Debtors’ Chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure. LBHI has prepared this Operating Report, including certain information as required by the Office of the United States Trustee, based on the information available to LBHI at this time, but note that such information may be incomplete and may be materially deficient in certain respects. This Operating Report is not meant to be relied upon as a complete description of the Debtors, their business, condition (financial or otherwise), results of operations, prospects, assets or liabilities. LBHI reserves all rights to revise this report.

1. This Operating Report is not prepared in accordance with U.S. generally accepted accounting principles (GAAP), is not audited and will not be subject to audit or review by the Company’s external auditors at any time in the future.
2. The professional fee disbursements presented in this report reflect the date of actual cash payments to professional service providers. The Company has incurred additional professional fee expenses during the reporting period that will be reflected in future Operating Reports as cash payments are made to providers.
3. The professional fee disbursements presented in this report have primarily been paid by LBHI; a portion of these fees have been and will be allocated to Debtors and certain Controlled Entities based on the dedicated costs associated with each entity and an allocation methodology.

LEHMAN BROTHERS HOLDINGS INC. and Other Debtors and Debtor-Controlled Entities
Schedule of Professional Fee and Expense Disbursements
September 2016 (a)

Unaudited (\$ in thousands)

		Sep-16	Year-to-date
Alvarez & Marsal LLC	Staff Resources	\$ 620	\$ 8,690
Professional Fees			
Allister Brown Group LLC	Document Review for Litigations	520 (b)	3,365
Curtis, Mallet-Provost, Colt & Mosle LLP	Litigation Counsel	204	1,265
Epiq Bankruptcy Solutions LLC	Claims Management and Noticing Agent	366 (b)	1,913
F1 Technical Solutions, INC	Document Review for Litigations	482	2,307
Jones Day	Litigation Counsel	1,220	6,804
Milbank Tweed Hadley & McCloy, LLP	UCC Litigation Committee and Litigation Counsel	-	68
Paul, Hastings, Janofsky & Walker LLP	Special Counsel - Real Estate	207 (b)	1,292
Quinn Emanuel Urquhart Oliver & Hedges, LLP	Litigation Counsel	632	16,657
Recovco Mortgage Management LLC	RMBS - Private Label Litigation	121	8,923
Rollin Braswell Fisher LLC	Special Counsel - RMBS	1,040 (b)	5,105
SBCC Group, Inc	Legal Experts for Litigations	-	1,326
Weil Gotshal & Manges	Lead Counsel - Debtors	1,109	10,089
Willkie Farr & Gallagher LLP	Special Counsel - RMBS	277	3,998
Wollmuth Maher & Deutsch LLP	Special Counsel - Derivatives and RMBS	458	5,697
US Trustee Quarterly Fees		-	532
Other Professionals	Various	1,325 (c)	18,027
Sub-total Professional Fees		7,961	87,367
Total Professional Fees (including A&M)		8,581	96,057
Alvarez & Marsal LLC	Incentive fees	-	4,331 (d)
Houlihan Lokey Howard & Zukin Capital Inc.	Incentive fees	-	866 (d)
Total Incentive Fees		-	5,197
Total Professional and Incentive Fees		\$ 8,581	\$ 101,254

Note: The above list includes vendors that have been paid over \$1 million on a trailing 12 month basis and vendors that were paid over \$150 thousand for the month reported.

- (a) The Company has incurred additional professional fee expenses that will be reflected in future Operating Reports.
(b) Reflects professional fees incurred over multiple months.
(c) Other Professionals reflect disbursements to approximately 100 vendors.
(d) Reflects incentive fees related to the Ninth and Tenth Distributions to holders of Allowed Claims. Refer to Docket No. 32470 and Docket No. 32155 for additional information on Alvarez & Marsal and Houlihan Lokey incentive fees, respectively.

LEHMAN BROTHERS HOLDINGS INC. AND OTHER DEBTORS AND DEBTOR-CONTROLLED ENTITIES

RESPONSES TO QUESTIONS SUBMITTED

The information included herein is derived from publicly filed documents and sources available to the Company.

The reader should refer to the respective documents referenced in connection with these responses. Capitalized terms used in the responses herein have the meanings ascribed to them in the respective documents. These responses are not provided for and should not be relied upon for investment guidance.

- 1. QUESTION:** According to the Subsequent Event section of the June 30, 2016 Quarterly Financial Report [Docket No. 53697], on September 15, 2016, LBHI received a \$335 million income tax refund related to the 1997-2010 Internal Revenue Service (“IRS”) audit periods. This refund was to be allocated amongst Debtors and Debtor-Controlled Entities on an estimated recovery basis pursuant to the Debtor Allocation Agreement (“DAA”). How does the IRS refund impact the Taxes Payable balances disclosed on page 33 of the June 30, 2016 Quarterly Financial Report?

Response: As disclosed in Note 11 to the June 30, 2016 Quarterly Financial Report, Taxes Payable represents an estimate for potential pre- and post-petition amounts owed to federal, state, local and international taxing authorities, and is net of any Federal, State and International refund claims, deposits and the estimated impact of the five-year federal NOL carryback by legal entity. Pursuant to the DAA, any tax receivable or payable related to the pre-petition consolidated group taxes will be an affiliate claim between LBHI and other Debtors and Debtor-Controlled Entities, since these amounts were funded pre-petition via intercompany accounts. (Refer to Question No. 3 in Responses to Questions Received From Creditors published on October 30, 2014, for additional information).

Accordingly, Taxes Payable in the June 30, 2016 Balance Sheets reflected the projected estimate as of June 30, 2016 of the IRS refund for the 1997-2010 period, which was allocated among entities based on each entity’s audit results and NOL allocation, on a pre-recovery basis. As a result of the IRS refund received on September 15, 2016, the Company will reflect certain adjustments to both payables and receivables for Debtors and Debtor-Controlled Entities within Taxes Payable in the October 6, 2016 Balance Sheets.

Furthermore, due to the continued progress of pre-petition Federal, State and International tax audits and tax refund claims, additional reductions to both payables and receivables for Debtors and Debtor-Controlled Entities will be reflected on the Taxes Payable in the October 6, 2016 Balance Sheets.